

Service Date: November 25, 1974

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER of the application of)	
MONTANA-DAKOTA UTILITIES CO., for)	DOCKET NO. 6267
the authority to enter into a)	
Guaranty Agreement for the payment)	ORDER NO. 4163
of Pollution Control Revenue Bonds)	
to be issued by the City of Beulah,)	
North Dakota.)	

On November 18, 1974, Montana-Dakota Utilities Company, hereinafter called the Applicant, a corporation organized and existing under the laws of the State of Delaware and qualified to transact business in Montana, filed with the Public Service Commission of Montana, its verified application pursuant to Sections 70-117.1 through 70-117.6, R.C.M. 1947, requesting an order for authority to enter into a Guaranty Agreement for the payment of Pollution Control Revenue Bonds to be issued by the City of Beulah, North Dakota.

It is alleged in the application that Montana-Dakota Utilities is a public utility as defined in Section 70-103, R.C.M. 1947, in that it furnishes electric and natural gas service in Montana; that Montana-Dakota Utilities' principal executive office is 400 North Fourth Street, Bismarck, North Dakota 58501; and that Montana-Dakota Utilities is duly qualified to do business in the states of Montana, Minnesota, North Dakota, South Dakota and Wyoming. Reference is hereby made to the annual reports of Montana-Dakota Utilities on file with the Commission with respect

Docket No. 6267

Order No. 4163

to the general character of Montana-Dakota Utilities' business and the territory served by it.

Applicant proposes to enter into a Guaranty Agreement with Trustee guaranteeing payment of the principal, premium, if any, and interest on ___% Pollution Control Revenue Bonds (The Montana-Dakota Utilities Co. Project) to be issued by the City of Beulah, North Dakota pursuant to an Indenture of Trust to be entered into between the City and the Trustee.

The aggregate principal amount of the bonds to be issued by the City for the cost of construction of the "Project" shall not exceed \$1,500,000.

Applicant proposes to enter into a Guaranty Agreement with the Trustee of the Bonds to be issued, by the City to finance the construction of certain pollution control facilities to be installed at the Applicant's generating station located in and adjacent to the City of Beulah, North Dakota.

Expenses in connection with the issue are to be paid from the proceeds of the Bonds and Applicant will submit to the Commission an itemization of such amounts as soon as available; Applicant believes these amounts will not exceed normal fees in such cases. No part of the expenses will be for fees for services (other than attorneys, accountants and similar technical services) in connection with the negotiation or consummation of the issuance or sale of the Bonds.

Applicant intends to account for the rental received from Trustee in behalf of Issuer in the same manner as it accounts for

the proceeds received from the sale of first mortgage bonds. The assets represented by the Facility are to be recorded in plant accounts as an asset, separately classified in order to disclose the existence of the leases, and the Facility will be depreciated over its estimated useful life; the related obligation will be recorded under long - term debt.

Having fully considered the Application and all files and records pertaining thereto on file with the Commission, and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That the Applicant, Montana-Dakota Utilities Company, is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.
2. That Montana-Dakota Utilities Company is operating as a public utility as defined in Section 70 - 103, R.C.M. 1947, and as such is engaged in furnishing electric and natural gas service in Montana.
3. That the Commission has jurisdiction over the subject matter of said Application under Sections 70-117.1 through 70-117.6, R.C.M. 1947.
4. That the securities transaction proposed by the Applicant, as hereinafter authorized, will be for a lawful purpose and will be consistent with the public interest; that same is necessary or appropriate for and consistent with the proper performance by

the Applicant of service as a public utility; and that the aggregate amount of the securities outstanding and proposed to be guaranteed by Applicant will not exceed the fair value of the properties and business of the Applicant.

5. That public notice of the filing of said Application and a formal hearing thereon is not required and that the Application should be approved as hereinafter ordered.

ORDER

NOW THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on November 18 , 1974, there being present Chairman Ernest C. Steel, Commissioners Robert McTaggart and Victor H. Fall, there regularly came before the Commission for final action, the matters and things in Docket No.6267 and the Commission being fully advised in the premises;

IT IS ORDERED that the Application of Montana-Dakota Utilities Company for an order authorizing the Guaranty of the payment of ____% Pollution Control Revenue Bonds to be issued by the City of Beulah, North Dakota in an amount not to exceed \$1,500,000, is hereby approved, and the issuance of said Guaranty be, and the same is hereby authorized subject to the provisions of this order.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter which may come before this Commission pursuant to its jurisdiction as provided by law.

Docket No. 6267

Order No. 4163

IT IS FURTHER ORDERED that nothing in this order and no provision of Sections 70-117.1 through 70-117.6, or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of Sections 70-117.1 through 70-117.6, R.C.M. 1974.

The foregoing Order was adopted by the Public Service Commission of the State of Montana.

DONE in open session at Helena, Montana, this 18th day of 1974.

ERNEST C. STEEL, Chairman

ROBERT E. MCTAGGART, Commissioner

VICTOR H. FALL, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary

(SEAL)

